

NTABANKULU LOCAL MUNICIPALITY

ORIGINAL BUDGET



2017/2018 ORIGINAL MTREF

ORIGINAL BUDGET OF

NTABANKULU LOCAL MUNICIPALITY

2017/18 TO 2019/20
MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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Abbreviations and Acronyms

ASGISA	Accelerated and Shared Growth Initiative
BPC	Budget Planning Committee
CBD	Central Business District
CFO	Chief Financial Officer
MM	Municipality Manager
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DORA	Division of Revenue Act
EE	Employment Equity
M	Mayor
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross domestic product
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
HSRC	Human Science Research Council
IDP	Integrated Development Strategy
IT	Information Technology
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act
MIG	Municipal Infrastructure Grant
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
OHS	Occupational Health and Safety
OP	Operational Plan
PBO	Public Benefit Organisations
PHC	Provincial Health Care
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
PTIS	Public Transport Infrastructure System
RG	Restructuring Grant

RSC	Regional Services Council
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

Part 1 – Annual Budget

1.1 Mayor's Report

STATE OF THE MUNICIPALITY ADDRESS 2017 BY MAYOR, CLLR. VUSI MGODUKA

**Program Director,
Abantwana Begazi,
Iinkokheli Zakwa Lizwi,
Distinguished guests,
Fellow political leaders,
Councillors,
Comrades,
Friends and Compatriots.**

Ndivumeleni ndithathe elithuba ndikhahlele kuni nonke.

Namhlanje nithwaliswe uxanduva lokucacisa ngobume bomasipala wethu.

I am discharged with the responsibility of outlining the State of the Municipality.

Indeed I am humbled to be standing in front of everyone here today.

On behalf of the Council of Ntabankulu, I wish to extend our word of gratitude and how humble we are that we have been discharged with leading this municipality for the next term of council. We all understand our role as not a privilege, but a responsibility that requires commitment and dedication.

We understand that the people of Ntabankulu have pinned their hopes on us with trust.

The confidence shown by the people of Ntabankulu in our works is never to be taken for granted.

As both councilors and the executive it is clear to us what you all expect from us.

From all wards and from the citizens of Ntabankulu themselves it is clear that people expect nothing more than service delivery at the highest speed.

As Councilors as we took oath, we made a commitment to serve the people with dignity.

We made consensus to lead a corrupt free, accountable and efficient municipality that is driven by accelerated service delivery.

We set a vision that says “*A developmental Municipality, prioritizing Sustainable Community Empowerment and Social Cohesion*”

Ngesixhosa ithi “Umasipala wophuhliso ohambisa phambili inkubela phambili nophuhliso loluntu no bumbano”

Esi sihloko ke sivumelene ngaso phanti komxolo othi: **Ngentsebenziswano sisa iinkonzo ezingundoqo eluntwini**

Thina kusicacele pmhophe ukuba le ndlela sijongene nayo ayilulanga.

Inde, inobunzima kodwa sithembeke ekutheni siyakusebenzisana Sisonke singabantu base Ntabankulu.

Siyakuthi sibambisane singabahlali, linkosi nezisisekelo sobunkokheli base Ntabankulu, linkokheli zakwa lizwi, ooSomashishini, ulutsha kunye nabo bonke abantu base Ntabankulu. Sithanda ukumemelela loo ntsebenziswano endaweni yethu.

Dear Friends and Compatriots,

As I present the State of the Municipality, I must emphasize however that I shall do so during the most difficult times of the democratic South Africa.

I shall try my best to find the most positive outlook of our municipality in a time where conditions are the most difficulty.

This era and period is proving to be the most challenging since the dawn of freedom in this country.

Both the economic and the political conditions are at the most unfavorable both inside the country and across the globe.

In giving a state of where we are as Ntabankulu, I shall begin by looking at the International space and explain the political and economic trends and what they mean for us.

That will enable us to understand how we as Ntabankulu, find a place in the global community.

The International Scenario

I shall begin by noting that the international balance of forces does not favour us as a developing country, more so for the poor majority for those developing countries.

The continued domination of global economics by western powers leads us more marginalized than ever.

Though colonialism has ended, our role in global politics and economics remains dependent on those developed countries of the west.

The recent downgrade of our economic rating by International Rating agencies came as a big blow us.

Our shock came from our understanding of what it will mean for the poor people of this country.

That is why we supported Minister Gigaba's plans to embark on a roadshow to improve investor confidence.

As Ntabankulu, the results of such a downgrade will be devastating.

Our development endeavors continue to depend on western countries for finance.

It is against this background that we celebrated the formation of BRICS bank.

As the Mayor I have an ambition of visiting the BRICS bank offices in Gauteng so that we can request them to finance our Infrastructure programs.

I believe Ntabankulu has the potential to play a role in global economics by building small to medium industries.

I believe the BRICS bank should be able to harness that potential.

On the National Picture

In his state of the Nation Address, the President made a pronouncement of what he termed as Radical Economic Transformation.

Though some have criticized this pronouncement as a mere rhetoric, for us it may mean the much needed policy shift.

Some critics, have downplayed such a policy proposal as just a word of mouth with no clear implementation plan.

For a poor municipality like Ntabankulu, it ushers new hopes based on an assumption that it will translate to more funding for our own development.

Our hope is inspired by our continued credibility to National Treasury.

In the past few years, we borrowed money from DBSA which earned us a good rating in terms of sound financial management and fiscal discipline.

Recently we visited DBSA to share with them our development ambitions for the next 05 years and we were received as one of the best municipalities that they are proud to do business with.

We are confident that such a rating will earn us priority when the Radical Economic Transformation is rolled out.

The president knows our plight and he committed to assisting us when we visited him in 2015 with Traditional Leaders.

We should also bring to the attention of the people that there are some unfavourable conditions Nationally.

The recent fees must fall movement has had a direct impact on Government spending.

In pursuit of alternative sources to fund tertiary education our own was cut by R8.3 million in the 2017/2018 Budget.

This shows clearly that we must expect more of these decreases and thus must improve our own revenue collection.

It thus becomes necessary for us to embark on aggressive revenue generation and collection strategies.

We are however confident that the Government's policy shift towards Radical Economic Transformations will work in our favour in Ntabankulu.

We wish to see small to medium industries emerging and jobs being created.

The Local Picture

In unpacking the State of the Municipality, we should begin by looking at the work we have done over the past 05 years.

As the municipality we are very proud of the work we have done over the past 05 years. Indeed it is evident that our work has exceeded our own expectations.

Though the period was marked by uncertainty and unrest within the broader society of Ntabankulu, as leaders we were able to ensure stability.

Working together with traditional leaders, religious leaders and civil society we were able to channel government resources to where they are needed the most.

We created a government that is closer to the people by listening closely to the people's aspirations.

We ensured social cohesion through unity of purpose.

We brought everyone into the table, to drive one common agenda as the local state.

We involved in our work, Traditional Leaders, Church leaders, Councilors, CDWs, Government officials, Academics, Business, Ratepayers, Hawkers, Opinion makers, intellectuals and civil society in general.

The success of the work we did should be attributed to all these people.

These are men and women who committed to building a progressive society in Ntabankulu.

1 CHAPTER 1

2 NTABANKULU LOCAL MUNICIPALITY 5 YEARS SERVICE DELIVERY REPORT

1.1. ROADS, BRIDGES AND COMMUNITY FACILITIES INFRASTRUCTURE 2011/2012-2016/2017

1.1.1. ROADS BRIDGES AND STORM WATER INFRASTRUCTURE

Considering the Budget limitations, we have achieved more in the area of infrastructure.

From 2012/13 to 2016/17 the following has been achieved:-

- **133.9 kilometers** of roads were constructed with related storm water

- **46.34 kilometers of road were maintained or rehabilitated**
- **2 bridges were constructed**
- **7 pre-schools were constructed, 2 of which are still under construction**
- **7 community halls were upgraded - floor tiling, ceiling, painting, fencing and water tank provision**
- **3 community halls were maintained**
- **Hawker stalls, driving testing ground and DLTC office block, landfill site, transido upgrade as well as public ablution facility with 10 toilets were constructed.**

For all of these projects a total of R212.2687million was spent

1.2. Electrification Projects 2011/2012-2016/2017

Electrification has been the most challenging area of development. Before 2011/12 financial year

Only 18% of households were electrified. None of the wards had reached universal access with only six out of 18 wards had electrification started

•

1.2.1.2. Between 2012/13 to 2016/17

- **61% of households** are/will be electrified by June 2017
- **4 wards** have reached universal access , **wards 3, 13, 15 and 17** - except in-fills and extensions
- **11 wards** have their electrification **above 50%**
- Only 2 wards where electrification has not yet commenced- **wards 1 and 10**

Within the period under review the following electrification infrastructure has been established:

- Amacwera Substation 132/22Kv 2X20MVA S/S
- Qumbu –Amacwera 132 Kv Feeder Bay:
- Mzintlava Feeder bay & 30 km linkline:
- Amacwera 04 SP linkline:
- Dikwayo Linkline:
- Mpemba Linkline

A total of R494 million has been utilized for electrification of households and electricity infrastructure establishment.

1.2.1. ALTERNATIVE ENERGY PROVISION – INDIGENT SUPPORT

We have made a commitment to bridge the gap of provision of alternative energy for those that could not be connected to grid electricity and indigent support to those that were connected but could not afford basic energy.

To this regard over the past three years alone we have spent **R25. 29 Million**.

1.2.2. OTHER ELECTRIFICATION RELATED PROJECTS UNDERTAKEN

As part of our urban renewal and town re vitalization, we decided to cut from our equitable share an amount of R2.5 Million to erect 20 solar powered street lights. We believe this will ease the burden of the already stretched grid electricity and contribute to greenhouse technological advancements.

1.3. On Local Economic Development Projects 2012/2013-2015/2016

The vast amount of time resources over the past few years have been spent developing Local Economic Development Strategy.

We had to be very technical in this area so that we could formulate a strategy that is government led but that provide opportunity for growth in SMMEs and small to medium industries.

As part of SMME support and Cooperatives we have **funded the following Coops with around R1.3 million.**

- *Njingalwazi Cooperative in ward 2*
- *Eyethu Youth Furniture Cooperative in ward 2*
- *Imveliso cooperative in ward 4*
- *Masikhule poultry cooperative in ward 4*
- *Masizame cooperative in ward 5*
- *Izandla Ziyaphilisa cooperative in ward 7*
- *Abahlobo vegetable cooperative in ward 7*
- *Masiphumelele cooperative in ward 10*
- *Babondla Poultry cooperative in ward 13*
- *Indonga cooperative & Zubenathi cooperative in ward 18*
- *Support for one car wash at in ward 9*

1.3.1. SMME & Cooperative Support 2016/2017: R1 015,000

- *Support to abahlobo vegetable cooperative*
- *Support to Masikhule furniture cooperative*
- *Support to crafters*
- *Training of SMME's*
- *Establishment of furniture production centre*

1.3.2. ***As part of our endeavours to create jobs we embarked on Expanded Public Works Programs which yielded 333 jobs at an expenditure of R6.86million between 2014/16 and 2016/17 financial years.***

1.3.3. On Unemployed Youth Training & Development we managed to train 145 beneficiaries at an amount of R5.89 million between 2014/15 and 2016/17.

These include young people who underwent training in Hospitality, Entrepreneurship development, Traffic Diploma training, CPMD and Computer literacy.

1.3.4. On Special Programs Unit Support: 2014/2015-2016/17: R2.2m

- *Beauty contest: Miss Ntabankulu: 1ST Prize, 2nd Prize & 3rd Prize (3 beneficiaries @ ward 11)*
- *Top Matric achievers awards: First runner, Second runner & Third runner (3 beneficiaries @ ward 9,11 & 12)*
- *Grade 12 achievers awards, Learners license drivers program*
- *Back to school and living the dream for youth*
- *School uniform to 30 identified OVC's and stimulation material to 3 pre-schools*
- *Mayoral cup games ; Mandela day program*

CHAPTER 2

2017/18 to 2021/22 INTERGRATED DEVELOPMENT PLAN Looking into the future of Ntabankulu.

3 2.1. NTABANKULU LOCAL MUNICIPALITY OVERARCHING STRATEGY 2017/2018-2021/2022

A new vision has been crafted to direct the municipality's planning and implementation over the 5 years. The 5-year focus will be on realization of radical economic transformation, anchored on industrialization, agriculture and tourism

The Vision says

"A developmental Municipality, prioritising Sustainable Community Empowerment and Social Cohesion"

Mission

The mission of the NLM is to achieve highest economic status through:

- Promoting and sustaining integrated service delivery that enhances and supports the municipality to achieve growth and development for its communities.
- Delivering a high standard of essential services anchored in agriculture, tourism and industrialisation.
- Enhancing revenue base.

Theme

Ngentsebenziswano sisa iinkonzo ezingundoqo eluntwini

Values

Ntabankulu Local Municipality embraces the following values:

Accountability

Compliance

Integrity

Team work

Ubuntu

Sustainability

Initiative and innovation

Transparency

Service excellence

Diversity

2.2. NTABANKULU ANCHOR PROJECTS FOR THE NEXT FIVE YEARS (2017/2018-2021/2022)

The Municipal Council has identified six pillars to inform anchor projects to drive radical economic transformation, in line with the Municipality Vision and Mission.

In this regard we have decided to plan focussing on the strengths of Ntabankulu as described in our situational analysis.

We have change the conservative ways of planning where we previously focused on the needs of our people. This approach is development orientated and dwells more on our strengths than weaknesses.

These projects identified are are:-

- Basic Infrastructure development
- Agro-Hub and Agro Processing

- Tourism
- Retail and Industrialisation
- Literacy and Skills Development
- Revenue Enhancement

2.2.1. On basic service delivery

We plan to reach universal access by 2019-2020 financial year. This is based on our projections that are informed by the current speed at which we are electrifying Ntabankulu.

In addition to that priority we will provide the following

- 14 preschools to be constructed
- 5 Sport fields to be constructed
- 12 Community halls to be constructed
- 16 Community Halls upgrade
- Provision of infrastructure in the urban area through Small Town Revitalisation(surfacing of urban roads, water and sanitation, SMME Hub & Office Space, Parks and Beautification
- Facilitate surfacing of DR08019, DR080125, DR080103 & DR080109

2.2.2. On LOCAL ECONOMIC DEVELOPMENT

2.2.2.1. We plan to construct an Agro-Hub and Invest in Agro Processing

- Crop production
- Poultry/broiler and egg production
- Maize production (grain and fresh produce)
- Feed lot establishment
- Livestock improvement(dipping tanks, sheering sheds, one village one stock dam)
- Aqua culture(fish farming)
- Moringa plant production (one household one tree)

2.2.2.2. On Tourism

- Rehabilitation of Ntabankulu Cultural Village
- Ntabankulu Dam conference facility development and Lodge
- Pondo Cultural development and promotion
- Amanci adventure tourism development(4X4 Trails, canoeing, abseiling, Zip line, Community lodge and heritage museum)
- Development, revitalisation and promotion of heritage sites
- Cweraland Game Reserve

2.2.2.3. On Retail and Industrialisation .

We plan to partner with the private sector towards realisation of the following:

- Gxwaleni Community Development Project (Motor vehicle station, shopping mall, Lodge and Conference centre)
- Quarry and Sand mining
- Development of Ntabankulu light industrial park (Furniture manufacturing and refurbishment, Water bottling, Tannery, recycling from waste into jewellery and refuse bags refuse bags, charcoal manufacturing, production of cleaning material, textile craft and sewing)
- Bricks and cement products manufacturing.
- Waste energy plant(Build-Operate and transfer)
- Construction of Ntabankulu Bus rank and Ncedo Taxi Rank

2.2.2.4. On Literacy and Skills Development

- Back to school illiteracy development program
- Youth talent search
- Establishment of skills development centre

2.2.2.5. On Revenue Enhancement

- Mixed housing development (rental, commercial and RDP Housing)
- Development of Shopping Mall

4 Chapter 3

5 NTABANKULU LOCAL MUNICIPALITY PRIORITISED PROJECTS FOR THE FINANCIAL YEAR 2017/2018

3.1. ROADS, BRIDGES AND COMMUNITY FACILITIES INFRASTRUCTURE 2017/2018 FINANCIAL YEAR

3.1.1. Projects Planned for implementation Financial year 2017/2018 : Municipal Infrastructure Grant: R20 216 818.

- On roads infrastructure 23.5 km of gravel roads will be constructed at a total value of R11 million. We must highlight that within this allocation, one gravel road will be dedicated to the support of emerging contractors. By this we will identify, youth and women emerging contractors whom we wish to improve their CIDB grading.
- 2 km of urban streets will be surfaced through small town revitalization at **R13.3 million** including planning fees. Within this project, we shall provide local job

maximization through skills development and utilization of local SMME's for the provision of paving materials. We believe this contributes to the control of economic leakage within Ntabankulu.

On Socio-economic Infrastructure

Having considered the decreases in funding for Capital Grants, Council resolved to utilize its own operational budget from the Equitable share for the provision of much needed Infrastructure projects.

From that allocation **R1.8 million** will be committed to the construction of three pre-schools in ward 05, 09 and 14. This commitment will contribute towards the realization of our goal to fight illiteracy and build a foundation through early childhood development.

Other Socio-economic projects from the equitable share are:

- Construction of One New Community hall in ward 16
- Upgrade of Matshona Community Hall in ward 05
- Maintenance of 8.6 km of access roads.
- Phase construction of SMME Hub/Transido;
- Installation of 20 Solar powered street lights

The total cost for these projects shall be **Share R12, 2million**

3.2. ELECTRIFICATION PROJECTS 2017/2018 FINANCIAL YEAR: INEP FUNDING

3.2.1.

3.2.2. *Ntabankulu Projects Planned for implementation for the financial year 2017/2018: Electrification through INEP Funding: R40 000 000*

- Electrification of 213 households in Bisa & Mkhomanzi in ward 16
- Electrification of 618 households Lwandlobomvu 04: Caba, Phungulelweni, Lubala & Mhlahlweni in ward 10
- Electrification of 150 Households at Nqalo village in ward 05
- Electrification of Amanci 02, 471 households in ward 13
- Electrification of Amanci 02 600 households Mbangweni/Mcepheni extension in ward 08
- Electrification of 105 households at Msukeni village in ward 07

3.2.3. Cogta Intervention fund: Projects for implementation for the financial year 2017/2018

- Urban bulk infrastructure upgrade, extension of bulk

3.2.4. *Projects Planned for implementation for the financial year 2017/2018: EQUITABLE FUNDING: R2 100 000*

- Installation of 20 Solar Powered LED Streetlights in ward 8

3.2.5. *ESKOM Projects Planned for implementation for the financial year 2017/2018: Electrification through Schedule 6B: R72 866 000*

- Amacwera 01 in ward 06: Sinquma/Madwaba 250 households, Lugadu 20 households, Dikidikini 35 households, Ngqulana 50 households
- Amanci 02 in ward 14: Ngqane 235 households, RCC 182 households, Ngonyameni 151 households
- Maamsi in ward 16: Lundzwana 340 households
- Ntabankulu Extensions in ward 9,13,8: Sihlonyaneni 170 households, Ndakeni(Sigubudwini) 50 households, Ndlantaka 50 households
- Mpemba in ward 11: Cacadu 156 households, Lugalakaxa 36 households, Maxhegweni 13 households,
- Ntabankulu Infills various villages: 398 households
- Lwandlulubomvu 05 in ward 12: Mjelweni 104 households, Ntshamanzi 82 households, Manzamnyama 140 households
- Ngwalala in ward 5: Mqatweni 325 households, Colahouseholds
- Xesibe 01 in ward 17: Sipetu 124 households , Sikwatini 236 households

In total 5304 households will be electrified in the coming year alone. For those 2157 will be electrified by the Municipality through INEP allocation the the remaining 3147 will be electrified by ESKOM

Planning & Infrastructure: R 2 667 600

- Ntabankulu Pre-Engineering
- Mpemba Link line
- Maamsi Link line

The total expenditure for household electrification including Infrastructure for the 2017/2018 financial year shall be R115. 5 million.

This is a remarkable victory in our quest to reach universal access across Ntabankulu

3.2.6. **INDIGENT SUPPORT for the 2017/2018 will receive R R3 100 000.**

3.3. Local Economic Development Projects 2017/2018

As indicated earlier, we are shifting our focus from mere Infrastructure provision towards realisation of Radical Economic Transformation.

We are thus putting more resources towards Local Economic Development. This shift is significant in that for the first time in the history of Ntabankulu, we have committed a record braking 8.6% of the total operational budget amounting to **R10.5 million**.

This is a major shift considering the previous years 1.6% allocation of the operational budget.

Our agreed approach to SMME support entails supporting them for a minimum of two years until established and have access to market. We believe this will ensure sustainability of our projects.

This SMME & Cooperative Support projects support wil go to the following:

<i>Project name/ type</i>	<i>Beneficiary</i>	<i>Ward</i>	<i>Budget</i>
<i>Agro-hub establishment support</i>	<i>Not yet identified</i>	<i>9</i>	<i>R1.872m</i>
<i>Egg production</i>	<i>Ncama cooperative</i>	<i>14</i>	<i>R250 000</i>
<i>Broiler production</i>	<i>Jongikhaya women cooperative</i>	<i>4</i>	<i>R600 000</i>
<i>Piggery</i>	<i>Sinothando cooperative limited</i>	<i>13</i>	<i>R700 000</i>
<i>Crop production</i>	<i>Abahlobo cooperative</i>	<i>8</i>	<i>R250 000</i>
	<i>Ntabankulu farm-NYR</i>		<i>R800 000</i>
	<i>Mowa farmers coop</i>	<i>14</i>	<i>R400 000</i>
<i>Moring seedling & plant production</i>	<i>Not yet registered(NYR)</i>	<i>16</i>	<i>R600 000</i>
<i>Furniture refurbishment & manufacturing</i>	<i>Eyethu youth cooperative</i>	<i>2</i>	<i>R1.4m</i>
<i>Aquaculture – fish farming</i>	<i>NYR</i>		<i>R1.050m</i>
<i>Water bottling</i>	<i>NYR</i>	<i>17</i>	<i>R400 000</i>
<i>Waste recycling</i>	<i>Zibambe Ziqine</i>	<i>8</i>	<i>R600 000</i>
<i>Craft</i>	<i>Ingomso eliqaqambileyo</i>	<i>8</i>	<i>R100 000</i>

Cultural village upgrading	NYR	8	R1.2m
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On Job creation , illiteracy reduction and Skills development.

Through Expanded Public Works Program Projects for the financial year 2017/2018 we have committed R3.11m to **benefit 68 people** from Ntabankulu.

We have committed **R1.5 million** to assist unemployed youth training and development of **19 beneficiaries**.

We must also note that all the funded Cooperatives will receive training on Business and financial management as well as project management.

On Special Programs

For the 2017/2018 we have committed R2 590 000 to drive support as follows:

- Support the provincial ladies soccer team called executive ladies with R50 000.
- Support our National Athlete Ms. Indiphiwe Dlezi. I have adopted this young lady. She will receive R20 000 per year over the next 05 years
- We also commit to continue supporting our **Back to school program** and **Talent Search**. Having looked at the success of this program we have dedicated ourselves to continue giving it priority.

On Land Use Management

We have increased the allocation for this area to R3.8m. This is intended to improve land management and spatial planning. We also believe this will enhance revenue generation for the Municipality .

Chapter 4

Our Budget Summary

The total budget for 2017/2018 is projected at R213 609 941.

It is comprised as follows:

Grant Revenue**R184 987 000****Non Grant Income****R 28 622 941****That revenue shall be appropriated as follows:**

ACCOUNT DESCRIPTION	ANNUAL BUDGET 2017/2018
Personnel Costs	64 587 497
General Expenditure	51 377 364
Finance Costs	134 880
Provisions	3 000 000
Repairs and Maintenance	3 701 000
Capital Expenditure	90 809 200
Total Expenditure	213 609 941

In conclusion

Today marks the beginning of a new era in Ntabankulu.

Together, assembled here we have come to highlight the beginning of a new day in our area.

We are gathered for a general consensus that we are entering into a new contract between all stakeholders to take Ntabankulu forward.

Each one of us must commit to the common agenda of building a sustainable future for our children.

We must build on our achievements of the past few years and create a sustainable environment for growth and prosperity.

We must all drive one common agenda of ensuring unity and cohesion for there to be political stability to fast-track our own development.

This stability is a hatching ground for prosperity and provision of equal opportunities.

For the lives of our people to move forward.

We must guarantee a better future for our children.
We must live a legacy for which in years to come we shall be remembered.

More than ever I am convinced that it is all possible.
The dream of a free, prosperous world where all shall share in the wealth of Ntabankulu.
Together we can do it.

Thank you all
Ndiyabulela

5.1 Council Resolutions

On the 30th May 2017, the Council of Ntabankulu Local Municipality met in Municipal Hall to consider the Original Budget of the municipality for the financial year 2017/2018. The Council approved and adopted the following resolutions:

1. That the IDP 2017/2018 be approved;
2. That the Original Budget 2017/2018 be approved as per section 22 of the MFMA.
3. That the Council approves the Original Budget of the Municipality for the financial year 2017/2018; and indicative for the two projected outer years 2018/2019 and 2019/2020 be approved as set out in the following;
 - Operating Revenue by Source ...
 - Operating Expenditure by Source ...
 - Capital Expenditure by vote ...
 - Capital Funding by source
4. Council approves that the measurable performance objectives for each vote reflected in adopted budget are approved for the budget year 2017/2018.
5. The Council approves the amended and non-amended budget related policies that are as follows:-
 - Asset Management Policy
 - Transport Policy
 - Credit Control & Debt Collection Policy
 - Supply Chain Management Policy
 - Property Rates Policy

- Indigent Policy
- Cash & Investment Policy
- Petty Cash Policy
- Catering Policy
- Commitments Policy

5.2 Executive Summary

METHOD OF PREPARATION

The Annual Budget was prepared based on the Activity Based Method, Incremental Based Method and Zero Based Method. It has also been prepared in line with National Priorities, Provincial Development Growth Plan (PDGP), In terms of the method all some of the votes and line items were reduced to zero and some votes have the previous financial year budget figures and effected an inflation rate, and every amount allocated had to be motivated. General Managers were requested to hand their requests to the Chief Financial Officer for inclusion on the budget. The Strategic planning session was arranged by Municipal Manager on 07th - 10th of March 2017, to solicit information which was expected to reach the Chief Financial Officer for consolidation. All departments gave input that was to be used to finalise the Draft SDBIP.

The Municipality has developed a Revenue Enhancement Strategy that will assist in increasing the own revenue. The Municipality will implement the Credit Control policy to reduce the high level of revenue from outstanding debtors.

The municipality had challenges in terms of the overall performance in terms of the Audit Outcomes. The municipality has a target of achieving an unqualified audit for the budgeted financial period. The summary of audit outcomes for the 2013/2016 financial years are tabled below:-

Financial Year	Audit outcome
2012/2013	Qualified Audit Opinion
2013/2014	Disclaimer Audit Opinion
2014/2015	Qualified Audit Opinion
2015/2016	Qualified Audit Opinion

The table below shows the summary of achievements on capital projects planned for the 5 year IDP.

IDP CAPITAL PROJECTS ACHIEVED ON 2011/2016 FINANCIAL PERIODS				
Financial Year	Services	No of Wards serviced	Expenditure	Source of Funding
INFRASTRUCTURE				
2011-2012	Access Roads – 20km's	03	R19m	MIG
2012/2013	Access Roads – 27.7km's	05	R23m	MIG
	Pre-school	01		
2013/2014	Access Roads – 44.2km's	06	R24m	MIG
	Bridge	01		
2014/2015	Access Roads – 9.2km's	04	R25.5m	MIG
	Bridge	01		
	Testing Ground	01		
	Sport-field	01		
	Multi-Purpose Centre	01		
	Landfill site	01		
	Hawker Stall		R1.1m	EQ
2015/2016	Access Road - 20km's	04	R26.3m	
	Sport-field	01		
	Multi-Purpose Centre	01		
	Upgrade of Transido	01		
	Internal Street	01	R40.1m	P.T.G
ELECTRIFICATION				
2010/2011	700 Households	01	R10m	E.P
2011/2012	945 Households	01	R15m	E.P
2012/2013	133 Households	01	R5m	E.P
2013/2014	743 Households	03	R20m	E.P
2014/2015	1195 Households	03	R38m	ESKOM
2014/2015	1355 Households	04	R30m	DBSA
	1840 Households	06	R40m	DBSA
	269 Households	01	R4.5m	Re-G.F
2015/2016	Substation 132/22kv 20 MVA	01	R32.4m	ESKOM
	Chicadee Line 132kv 40km	01		
	Feeder Bay 132 kv	01		
	290 Households	03		
	1205 Households	02	R33.6m	INEP
2015/2016	Instalation of 20 street lights	01	R2m	EQ

1.4 Operating Budget

In terms of GRAP format Capital Grants receivable are included in the Operating Budget. Capital Expenditure is not included in Operating Budget.

Operating expenditure is the day to day management items of the Municipality, i.e.:

- Salaries and Wages;
- Repairs and Maintenance;
- Depreciation on Assets,
- Insurance,
- Electricity,
- Telephone,
- Subsistence and Travelling Allowances,
- Fuel etc.

The total budget amounts to **R213 609 941**, the breakdown of which is operational budgeted revenue of **R132 696 941**, capital budget **R80 913 000**, and internally generated funds (own revenue) of **R28 622 941**. Table 1 hereunder summarizes the budget per department

Allocations per line item are done by the departments themselves, as long as they don't exceed the amounts allocated per Table 1. Table 1 which is Consolidated Overview of the 2017/2018 Medium Term Revenue Expenditure Forecast.

Table 1

Description	Adjustment Budget 2016/17	Original Budget 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Total Revenue (excluding capital transfers and contributions)	133 584 581	132 696 941	132 423 974	132 130 868
Total Expenditure	122 392 581	122 800 741	127 963 240	138 168 892
Surplus/(Deficit) for the year	11 192 000	9 896 200	4 460 734	6 038 024
Total capital expenditure	120 152 000	90 809 200	150 617 150	105 221 518

Total Revenue by source**Table 2**

Revenue	Amount	Percentage
Property Rates	10,360,447	4.85%
Service Charges	550,000	0.25%
Rental of Facilities	1,500,000	0.70%
Interest earned – external	3,000,000	1.40%
Interest earned – internal	350,000	0.16%
Fines	3,500,000	1.65%
Operational Grants	104,074,000	48.73%
Capital Grants	80,913,000	37.88%
Other Income	9 362 494	4.38%
Total	213,609,941	100%

Total Expenditure by type**Table 3**

Expenditure	Amount	Percentage
Employee Related Costs	55,330,222	45%
Remuneration of Councillors	9,257,275	7.5%
Provisions	1,500,000	1.22%
Depreciation	1,500,000	1.22%
Repairs and Maintenance	3,701,000	3.01
Finance Charges	50,000.00	0.04%

General Expenses	51,462,244	42%
Sub-total	122 800 741	100
Capital	90 809 200	
TOTAL	213 609 941	

Annual Budget per Department Table4

Department	Income	Expenditure	Capital
Executive & Council	31 397 181	23 876 231	88 893 950
Finance and Admin	50 941 093	40 959 854	1 915 250
Community and public safety	27 108 074	27 123 324	
Economic and environmental services	45 383 235	53 173 975	
Trading services	550 000	350 000	
TOTAL	155 379 583	145 483 384	90 809 200

Capital Budget

Capital projects amounting to **R90 809 200** has been included in this budget. The municipality's internally generated funds available to fund these projects amount to **R11 275 250**

All projects presented in this report are the priorities as per the Integrated Development Plan which was reviewed from the month of August 2017 during the IDP Road-shows and the strategic planning session held in March and May 2017 by the municipality.

Funding of Capital Budget**Table 5**

INEP	40 000 000
MIG	26 201 950
Office of the Premier	13 332 000
<i>Sub Total</i>	79 533 950
Internal funds	11 275 250
TOTAL	90 809 200

Property Rates

The new Property Valuation Roll came into effect the 1 July 2013 and this will come to expire at the end of 2017/18 because COGTA has provided an extension of valuation roll with 12 months. The Supplementary Valuation Roll 4 has been prepared and Final SV4 is available of which notifications were done to Rate Payers through advert and public notices to the Ratepayers. This was to give Ratepayers aggrieved by new General Valuation Values of their Properties to lodge objections as per requirements of Local Government: Municipal Property Rates Act. The Final Supplementary Valuation Roll 4 was implemented from March 2016. The tariffs have been taken to Council.

Table below is the approved Municipal Tariffs

SCHEDULE OF MUNICIPAL TARIFFS				
Service Type	Category of user/users	Tariffs 2016-2017	Proposed Increase/Decrease	New Tariffs 2017-2018
Property Rates	Domestic	R0.0043	Not % based	R0.006
	Business	R0.0043	Not % based	R0.006
	Government	R0.016	Not % based	R0.025
	Agricultural	0,001	6.10%	0,002
Refuse Removal	Domestic	R74.62	6.10%	R79.00
	Government	R127.92	6.10%	R136.00
	Business - small	R200.00	Not % based	R250.00

SCHEDULE OF MUNICIPAL TARIFFS				
Service Type	Category of user/users	Tariffs 2016-2017	Proposed Increase/Decrease	New Tariffs 2017-2018
	Business – big	R200.00	Not % based	R350.00
Burial and Cemeteries	Single Grave once off	R138.58	6,10%	R147.00
	Double grave once off	R266.50	6,10%	R283.00
	Renewal fee for Double grave & Single grave	R106.60	6,10%	R113.00
Library Membership Fee		R53.3 per annum	6,10%	R57.00 per annum
Rental Office	Large Businesses	R83.84 per square meter	6,10%	R89.00 per square meter
	Small Businesses	R32.25 per square meter	6,10%	R34.00 per square meter
Rental :Municipal Hall	Independently (Private use)	R69.29 per hour	6,10%	R74.00 per hour
	Business & Government	R106.6 per hour	6,10%	R113.00 per hour
Building Plan fees	Commercial, industrial Government	R5.33 per square meter	6,10%	R6.00 per square meter
	Low cost funded by DPT of human settlement	R5.33 per square meter	6,10%	R6.00 per square meter
	Residential by individual owners	R4.26 per square meter	6,10%	R5.00 per square meter
	Administration for alteration in the existing building (extending, fitting	R266.5	6,10%	R283.00

SCHEDULE OF MUNICIPAL TARIFFS				
Service Type	Category of user/users	Tariffs 2016-2017	Proposed Increase/Decrease	New Tariffs 2017-2018
	of glasses.etc)			
	PENALTY-Administration for as built plans	R319.8	6,10%	R339.00
Town Planning	S.G. Diagram	R84.4	6,10%	R90.00
	General Plan	R106.6	6,10%	R113.00
	Zoning Certificate	R53.3	6,10%	R57.00
Zoning and Rezoning of Land	Amendments to scheme clauses	R2,217.28	6,10%	R2,353.00
	Less than 5000sqm (including minor and inconsequential)	R2,217.28	6,10%	R2,353.00
	5000sqm-5ha	R7,886.27	6,10%	R8,367.00
	>5ha – 10ha	R19,694.35	6,10%	R20,896.00
	>10ha		6,10%	-
	Basic	R29,956.82	6,10%	R31,784.00
	1ha in excess of 10ha	R2,317.48	6,10%	R2,459.00
	Material change to the application	50% of the applicable rezoning fee as indicated above	None	
	Applicable Appeals (MSA sec. 62)	R1,030.82	6,10%	R1,094.00

SCHEDULE OF MUNICIPAL TARIFFS				
Service Type	Category of user/users	Tariffs 2016-2017	Proposed Increase/Decrease	New Tariffs 2017-2018
Subdivision of Land/Consolidation	Basic application fee	R1,092.65	6,10%	R1,159.00
	Plus where the number of portions to be created is:			
	Less than 6 subs per portion	R533 per sub	6,10%	R566 per sub
	6 - 10 subs per portion	R426 per sub	6,10%	R452 per sub
	11-20 subs per portion	R319,8 per sub	6,10%	R339.00 per sub
	More than 21 subs per portion	R213.2 per sub	6,10%	R226.00 per sub
	Applicants appeals	R1,030.82	6,10%	R1,094.00
	Consolidation	R1,066.00	6,10%	R1,131.00
	All instances where the conditions are removed via a PDA process	R3,938.87	6,10%	R4,179.00
Consent	Consent & change of use of land or building	R3,938.87	6,10%	R4,179.00
	Bed & Breakfast/Guest house applications	R3,938.87	6,10%	R4,179.00
	Sand mining & any other mining application	R3,938.87	6,10%	R4,179.00
	Applicant appeals	R1,030.82	6,10%	R1,094.00
	HOME BUSINESS			
	On a property <300sqm in	R1,066.00	6,10%	R1,131.00

SCHEDULE OF MUNICIPAL TARIFFS				
Service Type	Category of user/users	Tariffs 2016-2017	Proposed Increase/Decrease	New Tariffs 2017-2018
	extent			
	On a property between 300 and 1000sqm in extent	R2,665.00	6,10%	R2,828.00
	On a property >1000sqm	R4,264.00	6,10%	R4,524.00
	RELAXATION			
	For residential sites	R319.8	6,10%	R339.00
	Non-residential sites	R4,264.00	6,10%	R4,524.00
	Relaxation of height of boundary walls in excess of 3m (Residential & Non Residential)	R991.38	6,10%	R1,052.00
Trading Tariffs	Hawkers	R56.39	6,10%	R60.00
	<ul style="list-style-type: none"> Fruit & Vegetables 	R56.39 per annum	6,10%	R60.00 per annum
	<ul style="list-style-type: none"> Clothing 	R78.98 per annum	6,10%	R84.00 per annum

SCHEDULE OF MUNICIPAL TARIFFS				
Service Type	Category of user/users	Tariffs 2016-2017	Proposed Increase/Decrease	New Tariffs 2017-2018
	Business Licenses , General dealers & Taverns	R1,066.00 per annum	6,10%	R1,131.03 per annum
		Renewal R533.00 per annum	6,10%	Renewal R565.51 per annum
	Shebbens, Public Phones, Bookshops & Tuck shops	R1000.00 per annum		R1000.00 per annum
		Renewal R500.00 per annum		Renewal R500.00 per annum
Advertising	1.5 m x 3.0m	R127.92 per structure per month	6,10%	R135.73 per structure per month
	3.0m x 6.0m	R222.79 per structure per month	6,10%	R236.38 per structure per month
Pound Fees	Livestock small and Large	R63.60 per head for entering (add)R26.60 for	6,10%	R67,48 per head for entering (add)R28.40

SCHEDULE OF MUNICIPAL TARIFFS				
Service Type	Category of user/users	Tariffs 2016-2017	Proposed Increase/Decrease	New Tariffs 2017-2018
		12hrs per head		for 12hrs per head
Clearance certificate		R10,66	6,10%	R11.00
Waste Removal		R159.00	6,10%	R169.00
Garden Waste Removal Fees		R127.92	6,10%	R136.00
Spot fines for illegal dumping	Households	R213,2	6,10%	R226.00
	General Practitioners (Surgeries & Clinics)	R533.00	6,10%	R566.00
	Business entities	R319,8	6,10%	R339.00
Tender Fees	Between R200 000 and R1000 000	R319,8	6,10%	R339.00
	Between R1000 000 and R10 000 000	R533.00	6,10%	R566.00
	Above R10 000 000	R746,2	6,10%	R792.00
Services Rendered by Traffic				
Removal	Drivers, vehicle owners	R 440.00	None	R440.00

SCHEDULE OF MUNICIPAL TARIFFS				
Service Type	Category of user/users	Tariffs 2016-2017	Proposed Increase/Decrease	New Tariffs 2017-2018
per motor vehicle	and Companies			
Removal per Heavy motor vehicle	Drivers, vehicle owners and Companies	R1000.00	None	R1000.00
Tracing of vehicle owner	Drivers, vehicle owners and Companies	R130.00	None	R130.00
Call out fee	Drivers, vehicle owners and Companies	R 60.00	None	R 60.00
Impounding fee per vehicle (Storage)	Drivers, vehicle owners and Companies	R100.00 per Day	None	R100.00 per Day
Impounding fee per vehicle recovered for causing intentional obstruction on any public road.	Drivers, vehicle owners and Companies	R330.00 per Day	None	R330.00 per Day
Escorting services: for Sporting	Businesses, Departments and Community	R 100.00 per office per hour	None	R 100.00 per office per hour

SCHEDULE OF MUNICIPAL TARIFFS				
Service Type	Category of user/users	Tariffs 2016-2017	Proposed Increase/Decrease	New Tariffs 2017-2018
events and other gatherings				
Escorting services: Abnormal vehicles and Loads	Businesses, Departments and Community	R100.00 per office per hour	None	R100.00 per office per hour
Temporary closure of Public Road or part thereof pertaining to Street Parties and other gatherings.	Businesses, Departments and Community	R100.00 per officer per hour	None	R100.00 per officer per hour
No person may drive motor vehicle on public Road without a valid Driver's Licence in his/her possession.	Unlicensed drivers, Drivers, Vehicle owners, learner drivers	R 1500.00	None	R 1500.00
No person	Unlicensed drivers,	R 1500.00	None	R 1500.00

SCHEDULE OF MUNICIPAL TARIFFS				
Service Type	Category of user/users	Tariffs 2016-2017	Proposed Increase/Decrease	New Tariffs 2017-2018
may drive unlicensed motor vehicle on public Road.	Drivers, Vehicle owners, leaner drivers			
Failure to display valid clearance certificate on motor vehicle driven on public road.	Unlicensed drivers, Drivers, Vehicle owners, leaner drivers	R 300.00	None	R 300.00
Impounding fee for motor vehicle per day.	Unlicensed drivers, Drivers, Vehicle owners, leaner drivers	R 100.00	None	R 100.00
Stopping a public Transport motor vehicle Bus/Taxi on area that is not designated for picking up or dropping	Unlicensed drivers, Drivers, Vehicle owners, leaner drivers	R 700.00	None	R 700.00

SCHEDULE OF MUNICIPAL TARIFFS				
Service Type	Category of user/users	Tariffs 2016-2017	Proposed Increase/Decrease	New Tariffs 2017-2018
off passengers.				
Allowing unlicensed driver to drive motor vehicle on a public road without a valid driver's licence.	Unlicensed drivers, Drivers, Vehicle owners, leaner drivers	R 1000.00	None	R 1000.00

ACCUMULATED DEFICIT/SURPLUS

The budget has zero balance.

1.5 Operating Revenue Framework

For Ntabankulu Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
 - The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Amendment Act No. 29 of 2014 Act (MPRAA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2017/2018 MTREF (classified by main revenue source):

Table 6 Summary of revenue classified by main revenue source

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	10 360	10 972	11 608
Service charges - electricity revenue	2	-	-	-	-	-	-	-	(300)	(450)	(600)
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	550	133	133
Service charges - other											
Rental of facilities and equipment									1 500	1 589	1 681
Interest earned - external investments									3 000	3 183	3 377
Interest earned - outstanding debtors									350	383	419
Dividends received											
Fines, penalties and forfeits									3 500	3 714	3 940
Licences and permits											
Agency services											
Transfers and subsidies									104 074	110 019	114 482
Other revenue	2	-	-	-	-	-	-	-	9 362	861	1 372
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		-	-	-	-	-	-	-	132 397	130 403	136 412

1.6.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No.51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio to residential properties to be 1:0.25 for the phasing in of properties.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17 (h) of the MPRA).
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;

In this regard the following stipulations are relevant:

- The rate-able property concerned must be occupied only by the applicant and his/her spouse.
- The applicant must submit proof of his/her age, identity and also proof of the annual income from a social pension;
- The applicant's account must be paid in full, or if not, an arrangement to the debt should be in place; and
- The property must be categorized as residential.

Classes such as churches, registered welfare organizations, institutions or organizations performing charitable work, are exempt from the levy of property rates

In considering changes in property rates, cognizance was taken of the local economic conditions such as the gradual recovery in the property market, trends in household incomes and unemployment. Excessive increases in property rates and other tariffs are likely to be counterproductive, resulting in higher levels of non-payment and increased bad debts.

There are drastic increases on some revenue line items, the explanation is detailed below.

The **property rates** have an increase of **59 percent** comparing 2017/18 financial period and 2018/19 budgeted period. The increase arose in tariff increase; the anticipated billing increase in the properties that were vacant sites and improvements on developed sites before the completion of Supplementary Valuation Roll.

The municipality is now implementing Revenue Enhancement Strategy, wherein there are properties that were not included in the valuation roll will be included and the billing will increase. The necessary calculations were undertaken to inform the budgeted amount on property rates.

On **refuse** there is an increase of **24 percent** comparing 2016/17 financial period to 2017/18 budgeted period.

A traffic fine has increased by **34 percent** between 2016/17 financial period and 2017/18 financial period, because the Driving License Testing Centre will be fully functional from 2017/18 financial year. The current revenue from Traffic section is collected from the sub

section of testing and licensing. There is also a system that will assist in maintaining the records of traffic fines and ease the process of collecting traffic fines.

Table 7 Operating Transfers and Grant Receipts

Choose name from list - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		-	-	-	-	-	-	103 824	110 019	114 222
Local Government Equitable Share								99 613	107 864	112 067
Finance Management								1 900	2 155	2 155
Municipal Systems Improvement										
EPWP Incentive								2 311	-	-
EPWP Incentive								-	-	-
LGSETA										
Provincial Government:		-	-	-	-	-	-	-	-	-
LGSETA										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	-	-	-	-	-	-	103 824	110 019	114 222
Capital Transfers and Grants										
National Government:		-	-	-	-	-	-	67 738	78 981	88 147
Municipal Infrastructure Grant (MIG)								27 738	28 981	29 147
INEP								40 000	50 000	59 000
Provincial Government:		-	-	-	-	-	-	13 322	-	-
Provincial Treasury : COGTA/IEC Grant:										
OTP								13 322	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Capital Transfers and Grants	5	-	-	-	-	-	-	81 060	78 981	88 147
TOTAL RECEIPTS OF TRANSFERS & GRANTS		-	-	-	-	-	-	184 884	189 000	202 369

Table 8 Summary of operating expenditure by standard classification item

Expenditure By Type											
Employee related costs	2	-	-	-	49,678	49,678	49,678	-	54,761	38,436	36,935
Remuneration of councillors									11,759	12,864	14,061
Debt impairment	3										
Depreciation & asset impairment	2	(9,128)	(10,583)	-	5,698	3,498	3,498	-	1,500	1,589	6,776
Finance charges									85	90	95
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8	792	1,369						3,761	3,983	3,819
Contracted services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	-	-	-	48,562	52,850	52,850	-	52,267	58,055	47,977
Loss on disposal of PPE											
Total Expenditure		(8,336)	(9,214)	-	103,938	106,027	106,027	-	124,133	115,017	109,664
Surplus/(Deficit)		88,882	101,896	(240)	28,468	27,298	27,298	-	(95,836)	(59,693)	(47,815)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)									90,580	79,147	88,147

The budgeted allocation for employee related costs for the 2017/2018 financial year totals **R64 587 497** which equals **49%** per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of **10.1 percent** for the 2017/18 financial year. An average annual increase of around **9.4 percent** for 2018/19 and **9 percent** for 2018/20 financial years of the MTREF

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 40 per cent and the Debt Write-off Policy of the Municipality. For the 2017/18 financial year this amount equates to **R1 000 000** and escalates to **R1 059 000** by 2018/19 and **R1,120,422** by 2019/20. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total **R1 500 000** for the 2017/18 financial and equates to **0.8 percent** of the total operating expenditure.

Other material comprises of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. In line with the Municipality's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the Municipality's infrastructure. The expenditure for other materials is expected to be constant over the MTREF period.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

The following table gives a breakdown of the main expenditure categories for the 2017/18 financial year.

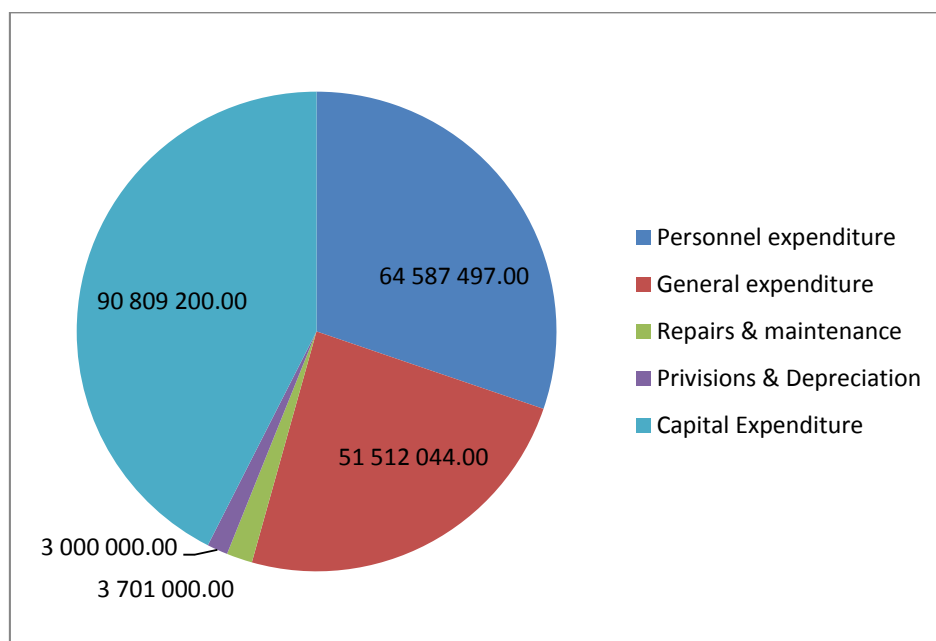


Figure 1 Main operational expenditure categories for the 2017/18 financial year

1.3.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2017/18 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration and purchases of materials

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 9 Repairs and maintenance per asset class

Choose name from list - Supporting Table SA34c Consolidated repairs and maintenance by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	2 500	2 648	2 801
Roads Infrastructure		-	-	-	-	-	-	2 341	2 479	2 623
Roads								2 341	2 479	2 623
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		-	-	-	-	-	-	159	169	178
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations								159	169	178
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
Community Assets		-	-	-	-	-	-	200	212	224
Community Facilities		-	-	-	-	-	-	200	212	224
Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments										
Historic Buildings										
Conservation Areas										
Other Heritage										
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property										
Unimproved Property										
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property										
Unimproved Property										
Other assets		-	-	-	-	-	-	364	386	408
Operational Buildings		-	-	-	-	-	-	364	386	408

Other assets		-	-	-	-	-	-	364	386	408
Operational Buildings		-	-	-	-	-	-	364	386	408
Municipal Offices								364	386	408
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing		-	-	-	-	-	-	-	-	-
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes										
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment										
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment										
Machinery and Equipment		-	-	-	-	-	-	159	169	178
Machinery and Equipment								159	169	178
Transport Assets		-	-	-	-	-	-	477	506	357
Transport Assets								477	506	357
Libraries		-	-	-	-	-	-	-	-	-
Libraries										
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Repairs and Maintenance Expenditure	1	-	-	-	-	-	-	3 701	3 919	3 968

For the 2017/18 financial year R3,7 million of total repairs and maintenance will be spent on infrastructure assets.

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The registering of households as indigents is a process that is reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR B10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

5.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 13 MBRR Table 2 2016/17 Medium-term capital budget per vote

Capital Expenditure - Functional												
<i>Governance and administration</i>		-	-	-	-	-	-	-	90 809	150 617	104 555	
Executive and council									88 894	150 336	104 258	
Finance and administration									1 915	281	297	
Internal audit												
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	
Community and social services												
Sport and recreation												
Public safety												
Housing												
Health												
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-	-	
Planning and development												
Road transport												
Environmental protection												
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	
Energy sources												
Water management												
Waste water management												
Waste management												
<i>Other</i>												
Total Capital Expenditure - Functional	3	-	-	-	-	-	-	-	90 809	150 617	104 555	
Funded by:												
National Government									88 894	150 124	104 034	
Provincial Government												
District Municipality												
Other transfers and grants												
Transfers recognised - capital	4	-	-	-	-	-	-	-	88 894	150 124	104 034	
Public contributions & donations	5											
Borrowing	6											
Internally generated funds									1 915	493	1 187	
Total Capital Funding	7	-	-	-	-	-	-	-	90 809	150 617	105 222	

For 2017/18 an amount of **R80 913** million has been appropriated for the development of infrastructure. This represents **89%** of the total capital budget.

New assets total represents **100** per cent or **R90 809** million of the total capital. Further detail relating to asset classes and proposed capital expenditure is contained in Table 26 MBRR B9 (Assets Management). In addition to the B9 MBRR, SB 18c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class. Some of the salient project to be undertaken over the medium term includes, amongst others.

Furthermore contains a detail breakdown of the capital per project over the MTRF.

5.7 Annual Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2017/18 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes*.

Table 14 MBRR Table A1 - Budget Summary

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands										
Financial Performance										
Property rates	-	-	-	-	-	-	-	10 360	10 972	11 608
Service charges	-	-	-	-	-	-	-	250	(317)	(467)
Investment revenue	-	-	-	-	-	-	-	3 000	3 183	3 377
Transfers recognised - operational	-	-	-	-	-	-	-	104 074	110 019	114 482
Other own revenue	-	-	-	-	-	-	-	14 712	6 546	7 411
Total Revenue (excluding capital transfers and contributions)	-	-	-	-	-	-	-	132 397	130 403	136 412
Employee costs	-	-	-	-	-	-	-	55 330	60 417	66 584
Remuneration of councillors	-	-	-	-	-	-	-	9 257	9 813	10 374
Depreciation & asset impairment	-	-	-	-	-	-	-	1 500	1 589	1 681
Finance charges	-	-	-	-	-	-	-	50	53	56
Materials and bulk purchases	-	-	-	-	-	-	-	3 701	3 919	4 147
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	-	-	-	-	-	-	-	52 962	52 193	55 898
Total Expenditure	-	-	-	-	-	-	-	122 801	127 984	138 739
Surplus/(Deficit)	-	-	-	-	-	-	-	9 596	2 419	(2 328)
Transfers and subsidies - capital (monetary allocated)	-	-	-	-	-	-	-	80 913	151 659	114 557
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	-	-	-	-	-	-	90 509	154 078	112 229
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	-	-	-	-	-	-	-	90 509	154 078	112 229
Capital expenditure & funds sources										
Capital expenditure	-	-	-	-	-	-	-	90 809	150 617	104 555
Transfers recognised - capital	-	-	-	-	-	-	-	88 894	150 124	104 034
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	1 915	493	1 187
Total sources of capital funds	-	-	-	-	-	-	-	90 809	150 617	105 222
Financial position										
Total current assets	-	-	-	-	-	-	-	15 775	16 706	17 675
Total non current assets	-	-	-	-	-	-	-	345 226	365 595	386 799
Total current liabilities	-	-	-	-	-	-	-	16 500	17 491	18 525
Total non current liabilities	-	-	-	-	-	-	-	400	424	448
Community wealth/Equity	-	-	-	-	-	-	-	344 102	364 386	385 501
Cash flows										
Net cash from (used) operating	-	-	-	-	-	-	-	83 228	146 798	91 778
Net cash from (used) investing	-	-	-	-	-	-	-	(90 809)	(150 617)	(105 222)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	-	-	-	-	-	-	-	1 262	(2 556)	(16 000)
Cash backing/surplus reconciliation										
Cash and investments available	-	-	-	-	-	-	-	11 280	11 945	12 638
Application of cash and investments	-	-	-	-	-	-	-	11 825	13 184	14 123
Balance - surplus (shortfall)	-	-	-	-	-	-	-	(545)	(1 239)	(1 485)
Asset management										
Asset register summary (WDV)	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	1 500	1 500	1 589	1 681
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-	3 701	3 701	3 919	3 968
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	300	300	450	600
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sew erage:	-	-	-	-	-	-	-	-	-	-
Energy :	-	-	-	-	-	-	7	7	8	8
Refuse:	-	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the two outer years of the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 15 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		-	-	-	-	-	-	82 338	90 025	87 894
Executive and council		-	-	-	-	-	-	31 397	37 625	27 152
Finance and administration		-	-	-	-	-	-	50 941	52 400	60 742
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	27 108	25 572	27 419
Community and social services		-	-	-	-	-	-	24 855	23 609	24 979
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	2 253	1 962	2 441
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	22 701	16 245	16 245
Planning and development		-	-	-	-	-	-	22 683	9 831	9 831
Road transport		-	-	-	-	-	-	18	6 414	6 414
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	550	582	639
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	550	582	639
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	-	-	-	-	-	-	132 697	132 424	132 197
Expenditure - Functional										
<i>Governance and administration</i>		-	-	-	-	-	-	64 836	69 462	80 891
Executive and council		-	-	-	-	-	-	23 876	25 581	23 521
Finance and administration		-	-	-	-	-	-	40 960	43 881	57 370
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	27 123	26 208	28 770
Community and social services		-	-	-	-	-	-	24 870	24 245	26 329
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	2 253	1 962	2 441
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	30 491	31 923	28 115
Planning and development		-	-	-	-	-	-	22 683	23 721	20 728
Road transport		-	-	-	-	-	-	7 809	8 202	7 387
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	350	371	392
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	350	371	392
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	-	-	-	-	-	-	122 801	127 963	138 169
Surplus/(Deficit) for the year		-	-	-	-	-	-	9 896	4 461	(5 972)

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital).

Table 13 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Choose name from list - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Revenue by Vote	1									
Vote 1 - Mayor & Council		-	-	-	-	-	-	9 257	9 903	10 469
Vote 2 - Municipal Manager, Town Secretary and Chief Executive Officer		-	-	-	-	-	-	22 140	27 722	16 683
Vote 3 - Finance and administration		-	-	-	-	-	-	50 941	52 400	60 742
Vote 4 - Community and social services		-	-	-	-	-	-	24 855	23 609	24 979
Vote 5 - Public safety		-	-	-	-	-	-	2 253	1 962	2 441
Vote 6 - Planning and development		-	-	-	-	-	-	22 683	9 831	9 831
Vote 7 - Road transport		-	-	-	-	-	-	18	6 414	6 414
Vote 8 - Waste management		-	-	-	-	-	-	550	582	639
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	-	-	-	-	-	132 697	132 424	132 197
Expenditure by Vote to be appropriated	1									
Vote 1 - Mayor & Council		-	-	-	-	-	-	9 257	9 903	10 469
Vote 2 - Municipal Manager, Town Secretary and Chief Executive Officer		-	-	-	-	-	-	14 619	15 678	13 052
Vote 3 - Finance and administration		-	-	-	-	-	-	40 960	43 881	57 370
Vote 4 - Community and social services		-	-	-	-	-	-	24 870	24 245	26 329
Vote 5 - Public safety		-	-	-	-	-	-	2 253	1 962	2 441
Vote 6 - Planning and development		-	-	-	-	-	-	22 683	23 721	20 728
Vote 7 - Road transport		-	-	-	-	-	-	7 809	8 202	7 387
Vote 8 - Waste management		-	-	-	-	-	-	350	371	392
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	-	-	-	-	-	122 801	127 963	138 169
Surplus/(Deficit) for the year	2	-	-	-	-	-	-	9 896	4 461	(5 972)

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table 21 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Choose name from list - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Choose name from list - Table A4 Consolidated Budgeted Financial Performance (Revenue and Expenditure)											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	10 360	10 972	11 608
Service charges - electricity revenue	2	-	-	-	-	-	-	-	(300)	(450)	(600)
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	550	133	133
Service charges - other											
Rental of facilities and equipment									1 500	1 589	1 681
Interest earned - external investments									3 000	3 183	3 377
Interest earned - outstanding debtors									350	383	419
Dividends received											
Fines, penalties and forfeits									3 500	3 714	3 940
Licences and permits											
Agency services											
Transfers and subsidies									104 074	110 019	114 482
Other revenue	2	-	-	-	-	-	-	-	9 362	861	1 372
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		-	-	-	-	-	-	-	132 397	130 403	136 412
Expenditure By Type											
Employee related costs	2	-	-	-	-	-	-	-	55 330	60 417	66 584
Remuneration of councillors									9 257	9 813	10 374
Debt impairment	3								1 000	1 059	1 120
Depreciation & asset impairment	2	-	-	-	-	-	-	-	1 500	1 589	1 681
Finance charges									50	53	56
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8								3 701	3 919	4 147
Contracted services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	-	-	-	-	-	-	-	51 962	51 134	54 778
Loss on disposal of PPE											
Total Expenditure		-	-	-	-	-	-	-	122 801	127 984	138 739
Surplus/(Deficit)		-	-	-	-	-	-	-	9 596	2 419	(2 328)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)									80 913	151 659	114 557
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher											
Transfers and subsidies - capital (in-kind - all)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		-	-	-	-	-	-	-	90 509	154 078	112 229
Taxation											
Surplus/(Deficit) after taxation		-	-	-	-	-	-	-	90 509	154 078	112 229
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		-	-	-	-	-	-	-	90 509	154 078	112 229
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		-	-	-	-	-	-	-	90 509	154 078	112 229

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is **R213 609** million in 2017/18 and increases to **R284 082** million by 2018/19.
2. Revenue to be generated from property rates is R10 million in the 2017/18 financial year and increases to R11 million by 2018/19 which represents 8 percent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored with the inflation rate applicable to each of the respective financial years of the MTREF as per Circular 86.

- Services charges relating to refuse removal is also critical to the revenue basket of the Municipality totalling R550 000 for the 2017/18 financial year and increasing to R583 550 by 2018/19.
- Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. The percentage share of this revenue source increases.
- Employee related costs and general expenses are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and general expenses (other costs) in future years

Table 14 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Capital Expenditure - Functional												
<i>Governance and administration</i>		-	-	-	-	-	-	-	90 809	150 617	104 555	
Executive and council									88 894	150 336	104 258	
Finance and administration									1 915	281	297	
Internal audit												
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	
Community and social services												
Sport and recreation												
Public safety												
Housing												
Health												
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-	-	
Planning and development												
Road transport												
Environmental protection												
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	
Energy sources												
Water management												
Waste water management												
Waste management												
<i>Other</i>												
Total Capital Expenditure - Functional	3	-	-	-	-	-	-	-	90 809	150 617	104 555	
Funded by:												
National Government									88 894	150 124	104 034	
Provincial Government												
District Municipality												
Other transfers and grants												
Transfers recognised - capital	4	-	-	-	-	-	-	-	88 894	150 124	104 034	
Public contributions & donations	5											
Borrowing	6											
Internally generated funds									1 915	493	1 187	
Total Capital Funding	7	-	-	-	-	-	-	-	90 809	150 617	105 222	

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

- Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
- The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations..

3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
4. The capital programme is funded from capital and provincial grants and transfers, public contributions and donations and internally generated funds from current year surpluses. These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).

Table 18 MBRR Table A6 -Budgeted Financial Position

Choose name from list - Table A6 Consolidated Budgeted Financial Position

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
ASSETS											
Current assets											
Cash									8 844	9 365	9 909
Call investment deposits	1	-	-	-	-	-	-	-	2 436	2 580	2 729
Consumer debtors	1	-	-	-	-	-	-	-	4 496	4 761	5 037
Other debtors											
Current portion of long-term receivables											
Inventory	2										
Total current assets		-	-	-	-	-	-	-	15 775	16 706	17 675
Non current assets											
Long-term receivables											
Investments											
Investment property									23 115	24 478	25 898
Investment in Associate											
Property, plant and equipment	3	-	-	-	-	-	-	-	321 823	340 810	360 578
Agricultural											
Biological											
Intangible									289	306	324
Other non-current assets											
Total non current assets		-	-	-	-	-	-	-	345 226	365 595	386 799
TOTAL ASSETS		-	-	-	-	-	-	-	361 002	382 301	404 474
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	-	-	-	-	-	-	-	-	-	-
Consumer deposits											
Trade and other payables	4	-	-	-	-	-	-	-	15 000	15 885	16 806
Provisions									1 500	1 606	1 718
Total current liabilities		-	-	-	-	-	-	-	16 500	17 491	18 525
Non current liabilities											
Borrowing		-	-	-	-	-	-	-	400	424	448
Provisions		-	-	-	-	-	-	-	-	-	-
Total non current liabilities		-	-	-	-	-	-	-	400	424	448
TOTAL LIABILITIES		-	-	-	-	-	-	-	16 900	17 915	18 973
NET ASSETS	5	-	-	-	-	-	-	-	344 102	364 386	385 501
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)									344 102	364 386	385 501
Reserves	4	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	-	-	-	-	-	-	-	344 102	364 386	385 501

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understanding for councillors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table B6 is supported by an extensive table of notes (Sb2 and B7) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 19 MBRR Table A7 - Budgeted Cash Flow Statement

Choose name from list - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates									4 144	4 389	4 643
Service charges									(53)	(188)	(323)
Other revenue									13 792	5 560	5 563
Government - operating	1								104 074	110 019	103 165
Government - capital	1								80 913	151 659	114 557
Interest									3 158	3 344	2 912
Dividends									-	-	-
Payments											
Suppliers and employees									(122 751)	(127 931)	(138 683)
Finance charges									(50)	(53)	(56)
Transfers and Grants	1								-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	-	-	-	-	-	-	83 228	146 798	91 778
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (Increase) other non-current receivables									-	-	-
Decrease (Increase) in non-current investments									-	-	-
Payments											
Capital assets									(90 809)	(150 617)	(105 222)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	-	-	-	-	-	(90 809)	(150 617)	(105 222)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing									-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		-	-	-	-	-	-	-	(7 581)	(3 819)	(13 444)
Cash/cash equivalents at the year begin:	2								8 844	1 262	(2 556)
Cash/cash equivalents at the year end:	2								1 262	(2 556)	(16 000)

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2017/18 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
4. Cash and cash equivalents totals –R(2 556) thousand as at the end of the 2018/19.

Table 20 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Choose name from list - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash and investments available											
Cash/cash equivalents at the year end	1	-	-	-	-	-	-	-	1 262	(2 556)	(16 000)
Other current investments > 90 days		-	-	-	-	-	-	-	10 017	14 502	28 638
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		-	-	-	-	-	-	-	11 280	11 945	12 638
Application of cash and investments											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	-	-	-	-	-	-	-	11 825	13 184	14 123
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		-	-	-	-	-	-	-	11 825	13 184	14 123
Surplus(shortfall)		-	-	-	-	-	-	-	(545)	(1 239)	(1 485)

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. For the rest of the MTREF a surplus is indicated.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the revised 2017/18 MTREF budget is funded.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2017/18 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table 21 MBRR Table A9 - Asset Management

Choose name from list - Table A9 Consolidated Asset Management

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	-	-	-	-	-	-	90 809	150 617	113 793
Roads Infrastructure		-	-	-	-	-	-	39 534	100 124	54 034
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	42 100	50 000	59 000
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	81 634	150 124	113 034
Community Facilities		-	-	-	-	-	-	3 200	212	224
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	3 200	212	224
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	4 000	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	4 000	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	265	281	535
Machinery and Equipment		-	-	-	-	-	-	60	-	-
Transport Assets		-	-	-	-	-	-	1 650	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	N/A	N/A	N/A
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	N/A	N/A	N/A
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	-	-	-	-	-	-	39 534	100 124	54 034
Roads Infrastructure		-	-	-	-	-	-	42 100	50 000	59 000
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	81 634	150 124	113 034
Community Facilities		-	-	-	-	-	-	3 200	212	224
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	3 200	212	224
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	4 000	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	4 000	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	#VALUE!	#VALUE!	#VALUE!
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	#VALUE!	#VALUE!	#VALUE!
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	265	281	535
Machinery and Equipment		-	-	-	-	-	-	60	-	-
Transport Assets		-	-	-	-	-	-	1 650	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		-	-	-	-	-	-	90 809	150 617	113 793

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Municipality has not met both these recommendations due to funds constraints.

Table 22 MBRR Table A10 - Basic Service Delivery Measurement

Choose name from list - Table A10 Consolidated basic service delivery measurement

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	3 450	5 000	6 000
Other energy sources		-	-	-	-	-	-	3 855	3 000	2 000
<i>Below Minimum Service Level sub-total</i>								7 305	8 000	8 000
Total number of households	5	-	-	-	-	-	-	7 305	8 000	8 000
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	300	450	600
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided		-	-	-	-	-	-	300	450	600
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)								1 725	2 500	3 000
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA										
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of subsidised services provided	6	-	-	-	-	-	-	-	-	-

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The budget provides for 5 581 households to be registered as indigent in 2017/18, and therefore entitled to receiving Free Basic Services. The number is expected to be constant given although in real terms is supposed to increase due to the rapid rate of in-migration to the Municipality, especially by poor people seeking economic opportunities.
3. It is anticipated that these Free Basic Services will cost the municipality R3million in 2017/18, and R3.3 million in 2019/20. This is covered by the municipality's equitable share allocation from national government.

6 Part 2 – Supporting Documentation

6.1 Overview of the budget process

This was covered during the preparation of the budget that was adopted in August 2016.

Below is the IDP and Budget Process Plan that was utilised to facilitate the processes of IDP consultation, consolidation, and alignment with the Budget to the final stage of approval by the Council.

• June – August	National and Provincial Departments prepare MTEF Budgets
• September	National and Provincial Departments prepare adjustments estimates
• October	Extended National Cabinet Finalize Division of Revenue
• November	Provincial Cabinet approved Budget proposals – Departments allocations
• December -January	Council Budget Adjustment Adoption of Annual Report
• February – March	National/Provincial tabling of Budget Council table Draft IDP & Budget
• April	IDP Review & Budget advertised for public comment National DORA and Provincial budgets legislated and DORA gazette notices published
• May	Council Finalizes IDP, Budget, SDBIP & PMS
• June-July	Reviewed IDP & Budget advertised Council Finalizes Performance Agreements

6.2 Overview of alignment of Annual Budget with IDP

The development of the IDP of 2017-2018 and the 2017/2018 Budget Compilation were done simultaneously. The Community Participation Process IDP priorities and the implications will yield discussion on the current and future budget. The Community in this regard had been invited for comments on both the IDP and the 2017/2018 Budget. The IDP was then aligned to budget, was finalised and adopted by the Council on the 30th of May 2017.

The Municipal Departments are aligned with the 5 Local Government Key Performance Areas. The Department's strategies are therefore linked to the 5 KRA's Details of the Budgets allocated to the various departments that were reflected in schedules SA4-6 of the original budget

The Departmental SDBIP contains projects and programmes listed in the IDP. The General Manager's performances plan is linked to the Departmental SDBIP.

The SDBIP marries the Performance Management System with the budget and the IDP. Thus the strategic Direction mapped out in the IDP is matched with financial resources and delivery of services as specified in the PMS.

The SDBIP allows the budget to be implemented fully as it identifies:

- The Strategic Imperative – Through link with the IDP.
- The Financial Imperative – Through links with the Budget
- The Performance Imperative – Through links to the PMS

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South Africa society can only be realised through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A Municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the

development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst other, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with Nation and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. A clear understanding of such intent is therefore imperative to ensure that the municipality strategically complies with the key national and provincial priorities.

The aim of the revision cycle was develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the municipality's response to these requirements.

The national and provision priorities, policies

- Green Paper on National Strategic
- Government Programme of Action
- Development Facilitation Act of
- Provincial Growth and Development
- National and Provincial Spatial Development Perspectives;
- Relevant Sector plans such as transportation, Legislation and policy;
- National Key Performance Indicators (NKPI's);
- Accelerated and Shared Growth
- National 2014 Vision;
- National Spatial Development
- The National Priority Outcomes

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal

integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2016/2017 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 23 IDP Strategic Objectives

2016/2017 Financial Year		2017/2018 MTREF	
1	The Provision of quality Basic Services and Infrastructure	1	Provision of quality Basic Services and Infrastructure
2	Acceleration of higher and shared economic growth and development	2	Economic growth and development that leads to sustainable job creation
3	Fighting of Poverty, building clean, healthy, safe and sustainable communities	3.1	Fighting of Poverty, building clean, healthy, safe and sustainable communities
		3.2	Integrated Social Services for empowered and sustainable communities
4	Fostering participatory democracy and adherence to Batho Pele principles through a caring, accessible and accountable service	4	Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service
5	Good governance, Financial viability and institutional governance	5.1	Promote sound governance
		5.2	Ensure financial sustainability
		5.3	Optimal institutional transformation to ensure capacity to achieve set

			objectives
--	--	--	------------

In order to ensure integrated and focused service delivery between all spheres of government it was important for the municipality to align its budget with that of national and provincial government. All spheres of government place a high priority on infrastructure development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements. This was done during consultative budget processes during preparatory process for the budget that was adopted in May hence the revised budget is also informed by the adopted budget.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic service and infrastructure which includes, amongst others:
 - Provide Electricity
 - Provide Water
 - Provide Sanitation
 - Provide Waste Removal
 - Provide Housing
 - Provide Roads and Storm Water; and
 - Maintaining the Infrastructure of the municipality
2. Economic growth and development that leads to sustainable job creation by:
 - Ensuring there is a clear structural plan for the municipality;
 -
 - Ensuring planning processes function in accordance with set timeframes;
 - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure (EPWP)
3. Fight poverty and build clean, healthy, safe and sustainable communities:
 - Effective implementation of the Indigent Policy;
 - Working with the Provincial Department of Health to provide primary health care services;
 - Extending waste removal services and ensuring effective cleansing;
 - Ensuring safe working environments by effective enforcement of building and health regulations;
 - Promote viable, sustainable communities through proper zoning; and

- 3.1 Integrated Social Services for empowered and sustained communities
 - Work with Provincial Departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
- 4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
 - Optimising effective community participation in the ward committee system; and
 - Implementing Batho Pele in the Revenue Management Strategy.
- 5.1 Promote sound governance through:
 - Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
 - Reviewing the use of contracted services
 - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- 5.3 Optimal institutional transformation to ensure capacity to achieve set objectives
 - Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the municipality. The five-year programme responds to the development challenges and opportunities faced by the municipality by identifying the key performance areas to achieve the five strategic objectives mentioned above..

This development strategy introduces important policy shifts which have further been translated into six strategic focus areas/objectives as outlined below:

- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building Social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and

- Sound financial fundamentals

Lessons learned with Previous IDP revision planning cycles as well as changing environments were taken into consideration in the compilation for the revised IDP, including;

- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

6.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:



Figure 5 Planning, Budgeting and Reporting Cycle

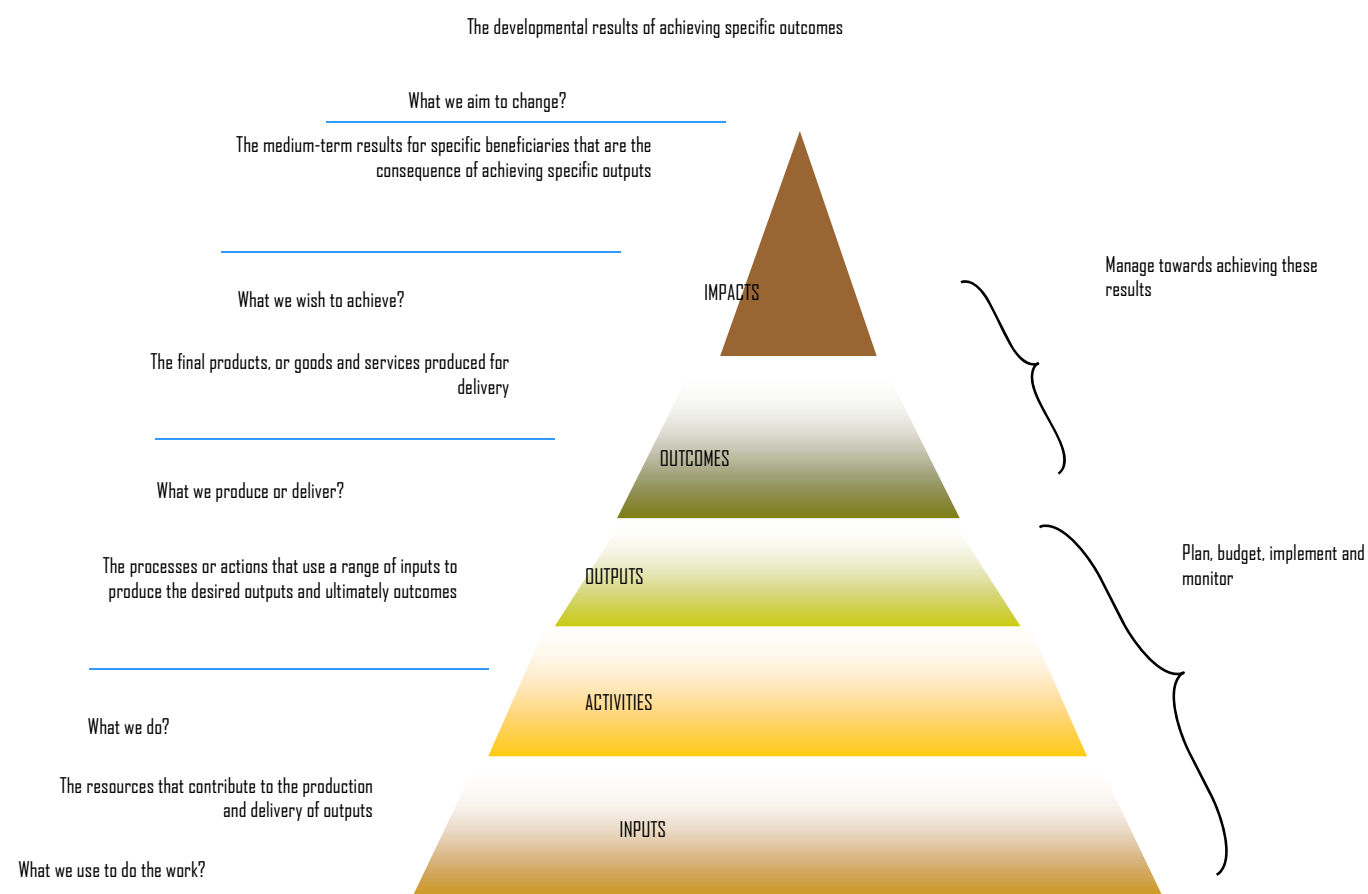
The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitor and checking on the progress against plan);
- Measurement (indicators of success)
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary)

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the Framework of Managing Programme Performance Information issued by the National Treasury:

Figure 6 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.



The revised SBDIP provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

2.3.1 Safety of Capital

The debt-to-equity ratio is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets.

The gearing ratio is a measure of the total long term borrowings over funds and reserves. Currently, the municipality have no outstanding borrowings.

2.3.2 Liquidity

Current ratio is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. Going forward it will be necessary to maintain these levels.

The liquidity ratio is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately.

2.3.3 Revenue Management

As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection.

2.3.4 Creditors Management

The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure that municipality is working towards 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the 2017/18 financial year 9 292 registered household indigents and only 5581 have been approved and provided for in the budget with this figure hoping to maintain by 2018/19.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR B10 (Basic Service Delivery Measurement) on page 31.

2.4 OVERVIEW OF BUDGET RALATED POLICIES

As listed hereunder are all the policies that are current adopted by

Ntabankulu Local Municipality. All these policies can be viewed on the official municipal website www.ntabankulu.gov.za

Approved Policies

- 1 Credit Control & Debt Collection Policy
- 2 Asset Management Policy
- 3 Property Rates Policy
- 4 Tariff Policy
- 5 Supply Chain Management Policy
- 6 Indigent Policy
- 7 Budget Policy
8. Transport Policy
9. Investment Policy
10. Commitments Policy

2.5 Overview of Budget Assumptions

Arising from the above Overview of Economic Analysis, the following Budget Assumptions were made and are affected in the 2017/18 budget:

-  Estimate Salary Increases

- 2017/18 – 10%
- 2018/19 – 9.4%
- 2019/20 – 9%

✚ Debt Impairment: the overall collection levels are estimate around 95% overall for the NLM.

Payment levels for the following revenue streams have been estimated as follows:

- Property Rates 40% in 2017/18)
- Refuse 40% in 2017/18)

✚ Indigent Support is 60% on registered indigents;

✚ Ntabankulu Local Municipality will continue with its current powers and functions;

✚ Government grants for the years 2017/18 to 2019/20 are as per the Division of Revenue Act, assuming that all allocations will be received;

✚ The inflation rate has been estimated at 6.1% per annum;

✚ Provision was made to contribute to the Provision for Leave Reserve. However, staff will be encouraged to redeem their leave.

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as rental of facilities, Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 95 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- The ability to extend new services and obtain cost recovery levels.

2.6 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understand ability for councillors and management. It gives information on what months is municipality expecting to receive revenue and which months it is also expecting to incur expenditure. This information influence investment decisions. The following cash flow management information is contained in some of schedules on the municipal revised budget and is as follows:

Supporting Table SA26 - monthly revenue and expenditure

Choose name from list - Supporting Table SA26 Consolidated budgeted monthly revenue and expenditure (municipal vote)

Description		Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue by Vote																	
Vote 1 - Mayor & Council			771	771	771	771	771	771	771	771	771	771	771	771	9 257	9 903	10 469
Vote 2 - Municipal Manager, Town Secretary and C			1 845	1 845	1 845	1 845	1 845	1 845	1 845	1 845	1 845	1 845	1 845	1 845	22 140	27 722	16 683
Vote 3 - Finance and administration			4 245	4 245	4 245	4 245	4 245	4 245	4 245	4 245	4 245	4 245	4 245	4 245	50 941	52 400	60 742
Vote 4 - Community and social services			2 071	2 071	2 071	2 071	2 071	2 071	2 071	2 071	2 071	2 071	2 071	2 071	24 855	23 609	24 979
Vote 5 - Public safety			188	188	188	188	188	188	188	188	188	188	188	188	2 253	1 962	2 441
Vote 6 - Planning and development			1 890	1 890	1 890	1 890	1 890	1 890	1 890	1 890	1 890	1 890	1 890	1 890	22 683	9 831	9 831
Vote 7 - Road transport			1	1	1	1	1	1	1	1	1	1	1	1	18	6 414	6 414
Vote 8 - Waste management			46	46	46	46	46	46	46	46	46	46	46	46	550	582	639
Vote 9 - [NAME OF VOTE 9]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote			11 058	11 058	11 058	11 058	11 058	11 058	11 058	11 058	11 058	11 058	11 058	11 058	132 697	132 424	132 197
Expenditure by Vote to be appropriated																	
Vote 1 - Mayor & Council			771	771	771	771	771	771	771	771	771	771	771	771	9 257	9 903	10 469
Vote 2 - Municipal Manager, Town Secretary and C			1 218	1 218	1 218	1 218	1 218	1 218	1 218	1 218	1 218	1 218	1 218	1 218	14 619	15 678	13 052
Vote 3 - Finance and administration			3 413	3 413	3 413	3 413	3 413	3 413	3 413	3 413	3 413	3 413	3 413	3 413	40 960	43 881	57 370
Vote 4 - Community and social services			2 073	2 073	2 073	2 073	2 073	2 073	2 073	2 073	2 073	2 073	2 073	2 073	24 870	24 245	26 329
Vote 5 - Public safety			188	188	188	188	188	188	188	188	188	188	188	188	2 253	1 962	2 441
Vote 6 - Planning and development			1 890	1 890	1 890	1 890	1 890	1 890	1 890	1 890	1 890	1 890	1 890	1 890	22 683	23 721	20 728
Vote 7 - Road transport			651	651	651	651	651	651	651	651	651	651	651	651	7 809	8 202	7 387
Vote 8 - Waste management			29	29	29	29	29	29	29	29	29	29	29	29	350	371	392
Vote 9 - [NAME OF VOTE 9]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote			10 233	10 233	10 233	10 233	10 233	10 233	10 233	10 233	10 233	10 233	10 233	10 233	122 801	127 963	138 169
Surplus/(Deficit) before assoc.			825	825	825	825	825	825	825	825	825	825	825	825	9 896	4 461	(5 972)
Taxation			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1		825	825	825	825	825	825	825	825	825	825	825	825	9 896	4 461	(5 972)

Supporting Table SA30 Annual Budget - monthly cash flow

Choose name from list - Supporting Table SA30 Consolidated budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand															
Cash Receipts By Source													1		
Property rates	345	345	345	345	345	345	345	345	345	345	345	345	4 144	4 389	4 643
Service charges - electricity revenue	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(300)	(450)	(600)
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	21	21	21	21	21	21	21	21	21	21	21	21	248	262	277
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	78	78	78	78	78	78	78	78	78	78	78	78	930	985	1 042
Interest earned - external investments	250	250	250	250	250	250	250	250	250	250	250	250	3 000	3 177	2 735
Interest earned - outstanding debtors	13	13	13	13	13	13	13	13	13	13	13	13	158	167	176
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	292	292	292	292	292	292	292	292	292	292	292	292	3 500	3 714	3 149
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	8 673	8 673	8 673	8 673	8 673	8 673	8 673	8 673	8 673	8 673	8 673	8 673	104 074	110 019	103 165
Other revenue	780	780	780	780	780	780	780	780	780	780	780	780	9 362	861	1 372
Cash Receipts by Source	10 426	10 426	10 426	10 426	10 426	10 426	10 426	10 426	10 426	10 426	10 426	10 426	125 116	123 123	115 960
Other Cash Flows by Source															
Transfer receipts - capital	6 743	6 743	6 743	6 743	6 743	6 743	6 743	6 743	6 743	6 743	6 743	6 743	80 913	151 659	114 557
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	17 169	17 169	17 169	17 169	17 169	17 169	17 169	17 169	17 169	17 169	17 169	17 169	206 029	214 782	230 517
Cash Payments by Type															
Employee related costs	4 611	4 611	4 611	4 611	4 611	4 611	4 611	4 611	4 611	4 611	4 611	4 611	55 330	60 417	66 584
Remuneration of councillors	771	771	771	771	771	771	771	771	771	771	771	771	9 257	9 813	10 374
Finance charges	4	4	4	4	4	4	4	4	4	4	4	4	50	53	56
Bulk purchases - Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	308	308	308	308	308	308	308	308	308	308	308	308	3 701	3 919	4 147
Contracted services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	4 539	4 539	4 539	4 539	4 539	4 539	4 539	4 539	4 539	4 539	4 539	4 539	54 462	53 782	57 579
Cash Payments by Type	10 233	10 233	10 233	10 233	10 233	10 233	10 233	10 233	10 233	10 233	10 233	10 233	122 801	127 984	138 739
Other Cash Flows/Payments by Type															
Capital assets	7 567	7 567	7 567	7 567	7 567	7 567	7 567	7 567	7 567	7 567	7 567	7 567	90 809	150 617	105 222
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	17 801	17 801	17 801	17 801	17 801	17 801	17 801	17 801	17 801	17 801	17 801	17 801	213 610	278 601	243 961
NET INCREASE/(DECREASE) IN CASH HELD	(632)	(632)	(632)	(632)	(632)	(632)	(632)	(632)	(632)	(632)	(632)	(632)	(7 581)	(3 819)	(13 444)
Cash/cash equivalents at the month/year begin:	8 844	8 212	7 580	6 948	6 316	5 685	5 053	4 421	3 789	3 158	2 526	1 894	8 844	1 262	(2 556)
Cash/cash equivalents at the month/year end:	8 212	7 580	6 948	6 316	5 685	5 053	4 421	3 789	3 158	2 526	1 894	1 262	1 262	(2 556)	(16 000)

2.7 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.

2. Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed 5 interns undergoing training in various divisions of the Financial Services Department.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Draft Integrated Development Plan

The IDP document is in place and was tabled for the approval of the 2017/18 MTREF in May 2017 directly aligned and it informs the 2017/18 MTREF.

6. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. Policies

Most budget related policies are in place.

